

**Washington, D.C. – Congressman Wally Herger (R-CA) and Congressman Joseph Crowley (D-NY) introduced a bipartisan bill today, known as the Ethanol Subsidy Repeal Act, to immediately repeal the Volumetric Ethanol Excise Tax Credit (VEETC), as well as the tariff on imported ethanol. At a cost to taxpayers of \$5 billion per year, ethanol consumes forty percent of the U.S. corn crop. According to Iowa State University, the year extension of the ethanol blenders credit only created a little over 400 jobs in 2011, at the cost of over \$14 million per job. By contrast, the livestock industry alone is expected to lose many thousands of jobs due to higher feed costs brought on by corn ethanol policies. Groups that oppose the ethanol tax credit include Americans for Prosperity, the American Meat Institute, Citizens Against Government Waste, Grocery Manufacturers Association, National Cattlemen’s Beef Association and dozens of others. The Senate voted 73-27 to repeal the ethanol tax credit on June 16.**

**Rep. Herger said,** “Ethanol subsidies are among the worst examples of special-interest politics in the government. The Government Accountability Office and the Congressional Budget Office have concluded that the ethanol tax credit is both wasteful and duplicative. These subsidies distort the economy by diverting corn away from feedstock, raising costs for farmers and ranchers and ultimately for consumers. The Ways and Means Committee has been examining how best to pursue comprehensive tax reform that eliminates special tax breaks and lowers the tax rate for everyone. I believe that abolishing the wasteful ethanol subsidy is a key aspect of moving toward a simpler and fairer tax system. I thank Rep. Crowley and the coalition dedicated to eliminating ethanol subsidies and I look forward to working with them to pass this legislation.”

**Rep. Crowley added,** “When we consume our nation's food supply in our cars instead of at the dinner table, we get higher food prices for those who can least afford it. We now use 40% of our nation’s corn crops for fuel – crops that could be used to fill empty stomachs, instead of empty gas tanks. In today’s economic climate, the last thing the American people need is high food prices. I am pleased to join Rep. Herger in this important effort and I urge our colleagues in the House to swiftly pass this legislation.”

**Geoff Moody, Director of Energy and Environmental Policy, for the Grocery Manufacturers Association commented,** “GMA applauds Representatives Herger and Crowley for their bipartisan leadership on this critical issue. After more than 30 years, the time has come to end subsidies for corn ethanol. This commonsense legislation is an important step towards sound policy that does not pit our energy needs against food security. GMA urges Congress to enact this legislation quickly and looks forward to working with Reps. Herger and Crowley, the bills cosponsors, and Congressional leadership to accomplish that goal.”

**Original cosponsors include:**

Rep. Sam Johnson (R-TX)

Rep. Pete Stark (D-CA)

Rep. Devin Nunes (R-CA)

Rep. Earl Blumenauer (D-OR)

Rep. Jeff Flake (R-AZ)

Rep. Jim Costa (D-CA)

Rep. Mary Bono Mack (R-CA)

Rep. Rick Larsen (D-WA)

Rep. Bob Goodlatte (R-VA)

Rep. Jim Matheson (D-UT)

Rep. Leonard Lance (R-NJ)

Rep. Peter Welch (D-VT)

Rep. Steve Womack (R-AR)